



MARCORLOGCOM
Marine Corps Logistics Command,
Albany, GA 31704-0320



MARCORSYSCOM
Marine Corps Base,
Quantico, VA 22134-5010

BASELINE

MCLC-MCSC- 4500
Revision: Baseline
Date: 12 January 2004

POST-PRODUCTION SYSTEMS STANDARD PROCEDURE

Phase-In/Phase-Out Planning/Execution

Process Owner: Assistant Commander, Product Support, MARCORSYSCOM

SIGNATURE/APPROVAL

The signatures and dates below indicate approval of this procedure for implementation at MARCORSYSCOM and MARCORLOGCOM.

Col M. E. Rudolph
Director, Supply Chain Management Center
MARCORLOGCOM

Col W. F. Johnson
Assistant Commander, Product Support
MARCORSYSCOM

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Phase-In/Phase-Out Planning/Execution

1. SCOPE

1.1 Scope. This Standard Procedure (SP) is applicable to the phase-in/phase-out of Marine Corps Systems Command (MCSC) managed equipment; this includes weapon systems, principal end items and associated Secondary Depot Repairables (SDRs). This SP does not include phase-in/phase-out of software programs.

1.2 Purpose. This SP establishes guidelines for equipment phase-in/phase-out. The SP also determines the interaction between Marine Corps Logistics Command's (MCLC's) Supply Chain Management Center (SCMC), the MCSC Program Manager (PM), the MCSC International Programs Office (IPO), and other offices related to the safe and legal phase-in/phase-out of weapons systems controlled by MCSC.

1.3 Applicability. This SP is applicable to all MCSC and MCLC organizational elements.

2. APPLICABLE DOCUMENTS

	Title	ID Number
1.	Defense Material Disposition Manual	DoD 4160.21M
2.	Defense Demilitarization Manual	DoD 4160.21-M-1
3.	Instructions for the Disposition/Utilization of Excess Personal Property	MCO 4500-11
4.	Exchange of Nonexcess Personal Property in the Department of Defense	MCO 4540.2

3. DEFINITIONS and ACRONYMS:

AAO	Authorized Allowance Objective
ACPROD	Assistant Commander, Product Support
CAPS	Computer Aided Program Support
DEMIL	Demilitarize
Phase-In/Phase-Out	The planning and execution efforts needed to remove Marine Corps ground equipment from inventory
DRMO	Defense Reutilization Management Office
EDA	Excess Defense Article
ESOH	Environmental, Safety and Occupational Health
FMS	Foreign Military Sales
FTE	FTE is a Document Identifier Code
ILS	Integrated Logistics Support
IP	International Programs
IPO	International Programs Office
IPT	Integrated Product Team

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LOA	Letter of Agreement
LOR	Letter of Receipt
MCCDC	Marine Corps Combat Development Center
MCLC	Marine Corps Logistics Command
MCSC	Marine Corps Systems Command
MMO	Maintenance Management Officer
MOA	Memorandum of Agreement
NEPA	National Environmental Policy Act
NSN	National Stock Number
OEM	Original Equipment Manufacturer
OPFOR	Operating Force
PEI	Principal End Item
PESHE	Programmatic Environmental, Safety and Health Evaluation
Phase-Out	Provides guidelines and general schedule of actions that occur during the
Plan	phase-out cycle.
PICA	Primary Inventory Control Activity
PP&P	Packaging, Packing & Preservation
PM	Program Manager
RIR	Recoverable Item Report
SAC	Stores Account Code
SAR	Safety Assessment Report
SCMC	Supply Chain Management Center
SCS	Stock Control System
SDR	Secondary Depot Repairable
SICA	Secondary Inventory Control Activity
SME	Subject Matter Expert
T/E	Table of Equipment
TAMCN	Table of Authorized Material Control Number
TFSMS	Total Force Structure Management Systems
ULSS	User's Logistics Support Summary
WIR	WIR Report
WOLPH	WIR On-Line Processing Handler
WSC	Weapon System Code

4. PROCEDURE

4.1 General. The procedure in paragraph 4.5 follows the flow diagram in Appendix A. This provides a method for Phase-In/Phase-Out of equipment from the Marine Corps in accordance with all applicable documents as listed above.

4.2 Concept. As warfare and technologies evolve, systems are replaced with more capable systems. As systems reach the end of their economic service life, they become obsolete and may be replaced (i.e., Authorized Allowance Objective Integrated Product Team (AAO IPT)). When systems are beyond economic repair, they must be replaced with new systems. The PM's

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responsibility as life cycle manager ends after the phase-in/phase-out of the system. This SP provides a sequence of actions to carry out this responsibility.

4.3 Process. At the end of an equipment's service life, or when the system is to be phased out of the Marine Corps inventory, the MCSC PM will prepare a recommendation for Marine Corps Combat Development Center (MCCDC) for phase-in/phase-out of the equipment. MCCDC shall then review the requirement for this system, the capabilities provided by any replacement systems, or whether a change in doctrine is required. MCCDC ultimately provides MCSC with direction to either keep the system in inventory or dispose of the system. The PM shall then review any existing phase-in/phase-out plan. In the event the system does not have an existing phase in/phase out plan, one will be prepared. The PM shall then determine the most advantageous method of phase-in/phase-out given the restrictions imposed by law and regulations and with assistance by MCLC and other MCSC offices that execute phase-in/phase-out of the weapons system.

4.4 Management Review. The Process Owner shall, with Subject Matter Expert (SME) input, review and update this SP as required.

4.5 Responsibility. The first time an actionee is listed, their basic responsibilities to the process are generally described. All steps that the actionee takes are listed in sequential order for that actionee. The procedures described are the processes from the perspective of each "swim lane" or organizational level depicted in the flow diagram. The result is a list of procedures for each actionee number keyed in the flow diagram

Actionee		Action
Marine Corps Combat Development Center (MCCDC)	4.5.1	MCCDC Requirements Officer changes and reduces system AAO in order to allow system phase-in/phase-out initiation.
	4.5.1.1	MCCDC reviews requirement for system and either concurs or non-concurs with PM's recommendation.
		MCCDC authorizes requirements change based on warfighter requirements.
		Note: PM informs MCCDC of recommendations to decrease AAO in order to dispose of equipment in accordance with DoD 4160.21M. The phase-in/phase-out decision could be based on:
		A. System replacement
		B. Obsolescence
		C. Beyond economical repair
Marine Corps Systems	4.5.2	Develops, maintains and executes phase-out plan. Also plans and executes phase-in/phase-out in accordance with MCO 4500-

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Command
(MCSC) Program
Manager (PM)

11.

4.5.2.1 Develop and maintain a Phase-Out Plan during acquisition cycle. This Plan is part of the User's Logistics Support Summary (ULSS).

A. Provide guidelines and general schedules of actions that are to occur during the phase-out process.

1. Identify actions required by Operating Force (OPFOR) commanders.
2. Provide for a thorough update of the Total Force Structure Management System (TFSMS) through phase-out.
3. Provide maximum utility of government materiel.
4. Provide the most expedient/economical phase-in/phase-out.
5. Evaluate phase-in/phase-out entity to determine the existence of any Environmental, Safety and Occupational Health (ESOH) issues that must be addressed in order to comply with laws, regulations and orders.
6. Update program documentation including required actions (i.e., Programmatic Environmental, Safety and Health Evaluation (PESHE), Safety Assessment Report (SAR), National Environmental Policy Act (NEPA), etc.) and de-militarization authority identification as applicable.

B. Develop a plan that addresses the following:

1. Master Milestone Chart.
2. Schedule of actions to notify IPO when a decision is made that an item will leave the system and whether item will be replaced.
3. Narrative for each Integrated Logistics Support (ILS) element.
4. An ILS milestone chart for scheduled actions.
5. List of units affected.
6. Certification that equipment is safe and ready for phase-out.

4.5.2.2 Make decision to dispose of assets based on internal and external inputs.

4.5.2.3 Determine existence of Phase-Out Plan.

A. More recent systems will have a Phase-Out Plan as part of the ULSS.

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B. Older systems may not have a Phase-Out Plan; in these cases, a Plan is required.

4.5.2.4 Review and update Phase-Out Plan.

- A. The Plan will require phase-out based on: the delivery or the replacement system, determination of components or subsystems that can be reused, environmental factors in phase-in/phase-out, and conformance to current federal regulations.
- B. Include any ESOH issues that must be addressed in order to comply with laws, regulations and orders.

4.5.2.5 Develop Phase-In/Phase-Out Plan.

4.5.2.6 Estimate cost disposal in conjunction with SCMC, MCLC. SCMC will then POM for disposal.

4.5.2.7 Offer assets to Primary Inventory Control Activity PICA (if not the Marine Corps) via letter, message or E-mail.

4.5.2.8 Determine if asset is to be sold.

- A. PM works with International Programs Office (IPO) and State Department to determine restrictions on foreign sales.
- B. PM provides data to IPO.
- C. Determine if equipment will/can be sold.
- D. Offer equipment for sale through IPO.

4.5.2.9 If ESOH issues exist, consult MCSC Safety Office.

4.5.2.10 Determine if asset is to be exchanged.

- A. PM enters into talks with Industry.
 - 1. If regulations allow, Industry may refurbish and sell assets no longer required by Marine Corps.
 - 2. If regulations allow, Industry may be able to use components as part of replacement system.
- B. PM arranges for compensation to Marine Corps for exchange of equipment.

4.5.2.11 Execute exchange arrangement contract.

PM negotiates exchange of asset with vendor for compensation (e.g., reduced costs to the Government on current procurements or other services).

4.5.2.12 PM notifies IPO of asset availability.

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Note: Once PICA declines to accept offered equipment, system automatically becomes Excess Defense Article (EDA).

- 4.5.2.13 If ESOH issues exist, consult MCSC Safety Office.
- 4.5.2.14 Release assets to Defense Reutilization and Maintenance Office (DRMO).
PM notifies SCMC to have assets shipped to MCLC Albany/Barstow or DRMO location for phase-in/phase-out.
 - A. Require report by serial number when assets were disposed of/accepted by DRMO.
 - B. Require report when all assets are removed from Supply System.
 - C. Ensure that ESOH issues are addressed sufficiently to satisfy DRMO's acceptance criteria.

Operating Forces (OPFORs) 4.5.3 Review Phase-In/Phase-Out Plan and assist in phase-in/phase-out effort as required.

4.5.3.1 Review existing or new Phase-In/Phase-Out Plan and provide comments, as necessary, to PM.

4.5.3.2 Demilitarize equipment as required for phase-in/phase-out and acceptance by DRMO.

4.5.3.3 Submit WIR through WIR On-Line Processing Handler (WOLPH) to SCMC.

Note: Maintenance Management Officer (MMO) answers WIR giving disposition instructions to unit as directed by the Project Officer at MCSC.

Marine Corps Logistics Command (MCLC) Supply Chain Management Center (SCMC) 4.5.4 Review Phase-In/Phase-Out Plan and coordinate execution with PM.

4.5.4.1 Review existing or new Phase-Out Plan and provide comments, as necessary, to PM.

4.5.4.2 POM for disposal.

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4.5.4.3 Release assets to PICA via Materiel Returns Program.

Note: If Marine Corps is the Secondary Inventory Control Activity (SICA) for the weapon system, SCMC will submit a FTE (FTE is a Document Identifier Code) transaction using the Materiel Returns Program to the PICA via the Stock Control System (SCS), Naval Message or E-mail.

4.5.4.4 MM ships asset to other government agency.

4.5.4.5 Submit Phase-In/Phase-Out requisition.

Note: Once assets are determined to be excess, MM inducts phase-in/phase-out documents for release to DRMO.

Marine Corps
Systems
Command
(MCSC)
International
Programs Office
(IPO)

4.5.5 Review Phase-Out Plan, develop market Foreign Military Sales (FMS) interests and execute FMS case as appropriate.

4.5.5.1 Review and comment on existing or new Phase-Out Plan.

Note: Comments will cover all aspects of how the phase-out will affect FMS (i.e., spares, end items, publications, repair sources, whether countries are supported by cooperative supply support arrangements, life of type buy, etc.). This ensures that the FMS community is covered and taken into consideration for the phase- out of this particular weapons system.

4.5.5.2 Provide marketability opinion to PM.

Note: Once it is determined that the assets have become a candidate for FMS sales, the PM will check with the IPO for an opinion concerning equipment marketability to the PM. The IPO will conduct a survey to determine if there is or will be any FMS interest.

4.5.5.3 Execute FMS case.

NOTE: Once a final decision has been made on marketing an item for sale, IPO will notify foreign countries. Once a Letter of Receipt (LOR) has been received from the foreign country for the procurement of the item, IPO will generate the Letter of

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Agreement (LOA) for the case.

4.5.5.4 Offer item as EDA.

Note: If after all other options have been explored with no results, the IPO is given the opportunity to offer the item as EDA. The item may be sold very cheaply or given away (this saves transportation and demilitarization costs). If a foreign country wants the items, a case is put into place to cover all expenses that would be incurred (i.e., transportation, packaging, packing and preservation (PP&P), etc.). The offer is done by memo/message to Navy IPO with all pertinent information.

If country is interested, IPO and Navy IPO must ensure country can receive assets (Congressional Approval). A case is established for country to buy or to be given item. The case will cover PP&P and transportation as a minimum, but we can also add other support items.

4.5.5.5 Execute FMS case.

Note: Once the applicable countries have been notified of the EDA item and LOR is received, IPO will generate an LOA for the case.

DRMO

4.5.6 Dispose of equipment.

4.5.6.1 Dispose in accordance with current phase-in/phase-out procedures.

5. NOTES

6. DATA, FORMS & REPORTS

7. QUALITY RECORDS

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8. METRICS

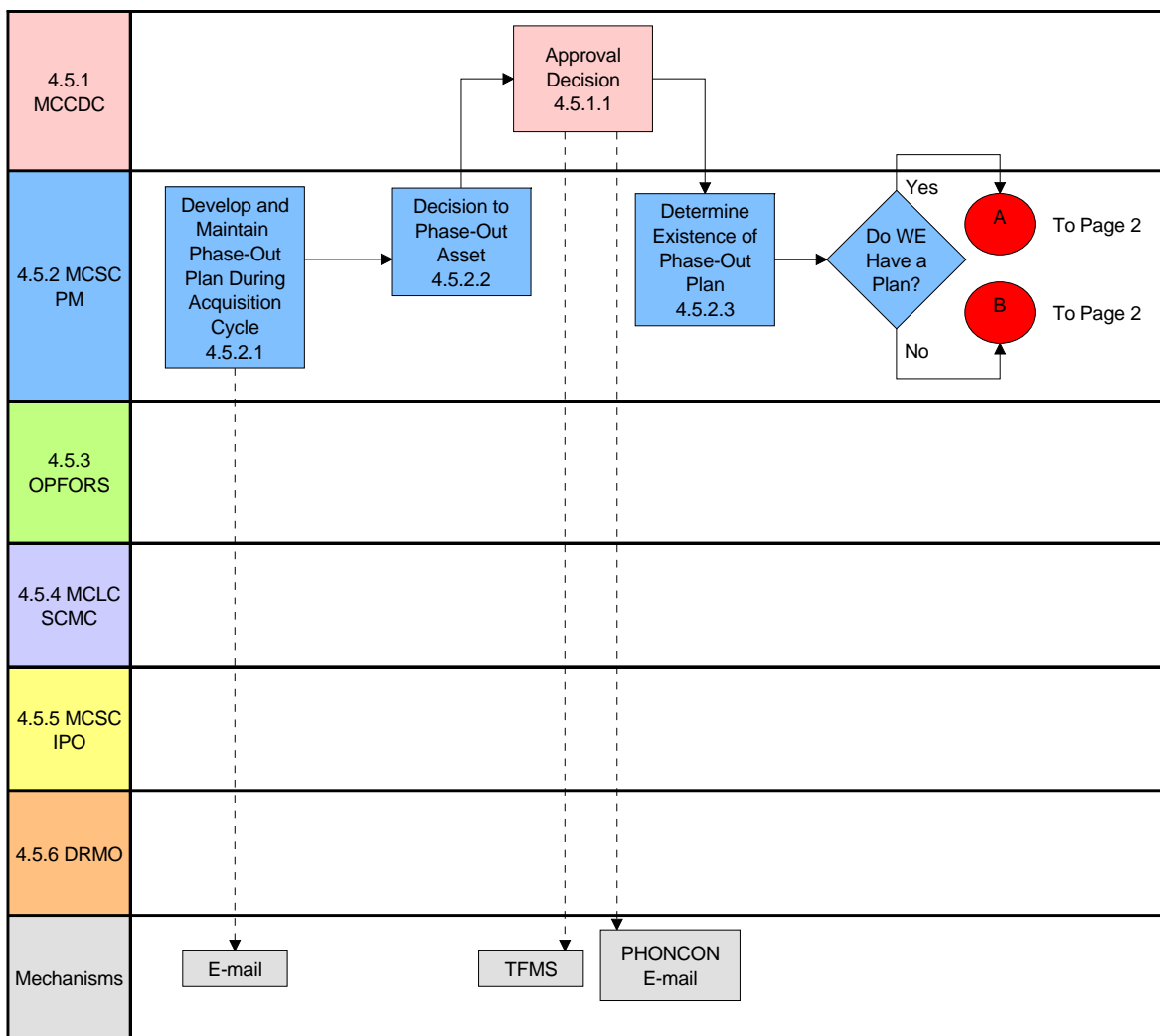
Measure	Measure Owner	Collection Frequency	Baseline	Objective
Dollars returned to Marine Corps Systems Command (MCSC) from Sales and Exchange	Assistant Commander, Product Support (ACPROD)	Annual		Maximize return of funds to MCSC for obsolete items.
Dollars expended to dispose of systems and equipments	ACPROD	Annual		Minimize disposal cost to MCSC for disposal of obsolete items.

9. FLOW DIAGRAM

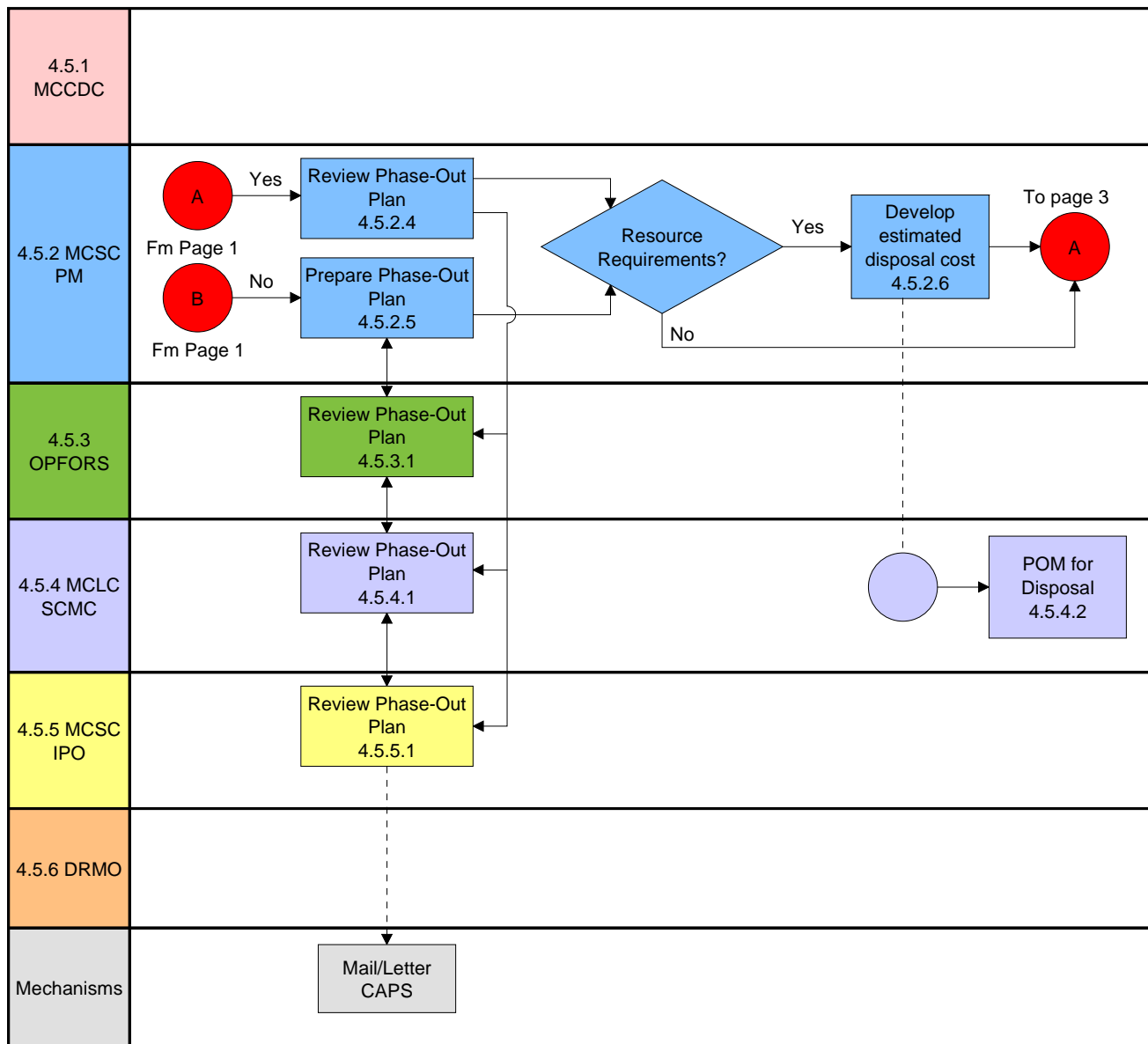
See Attachment A.

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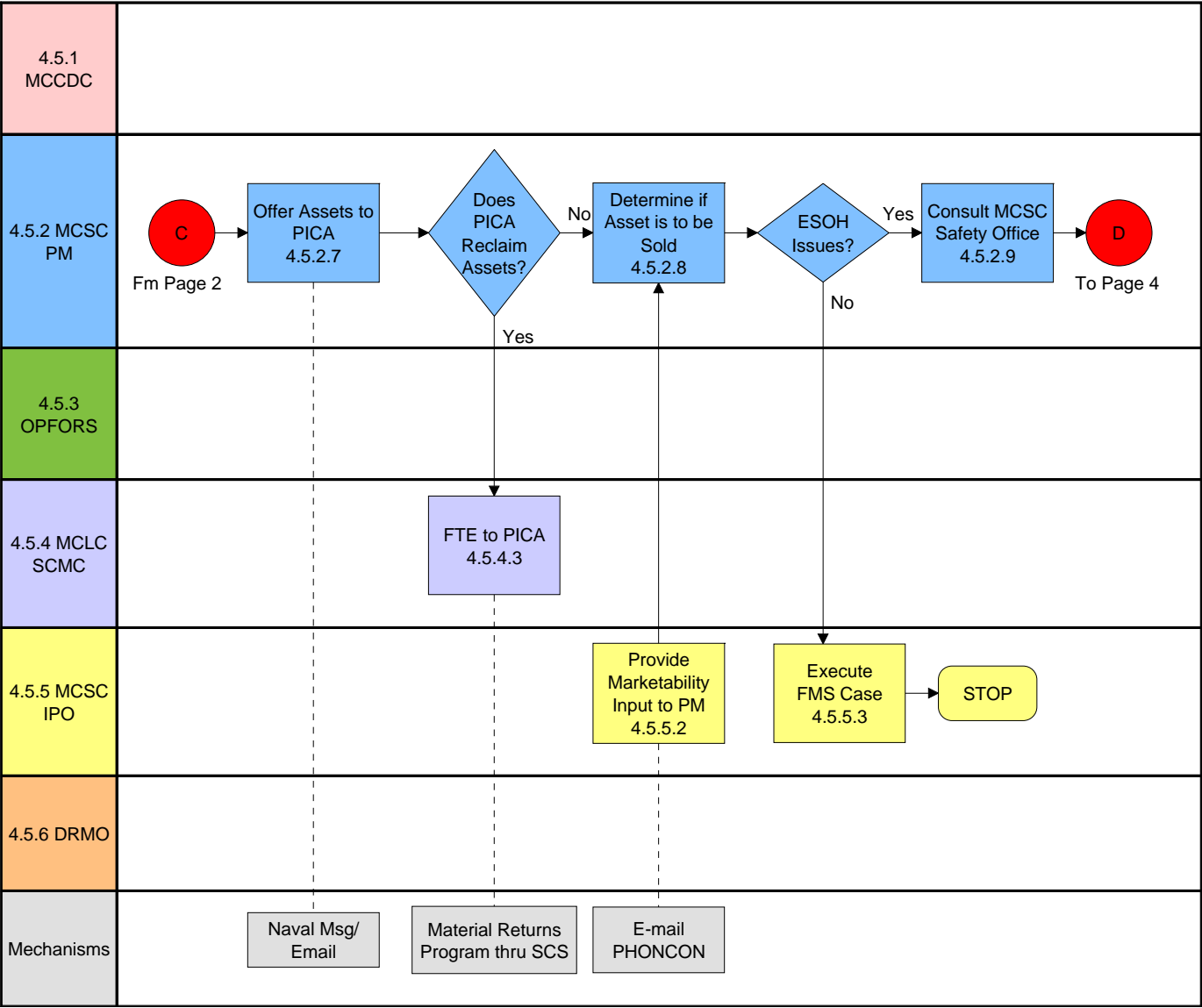
Attachment B: Phase-In/Phase Out Planning/Execution Flow Diagram



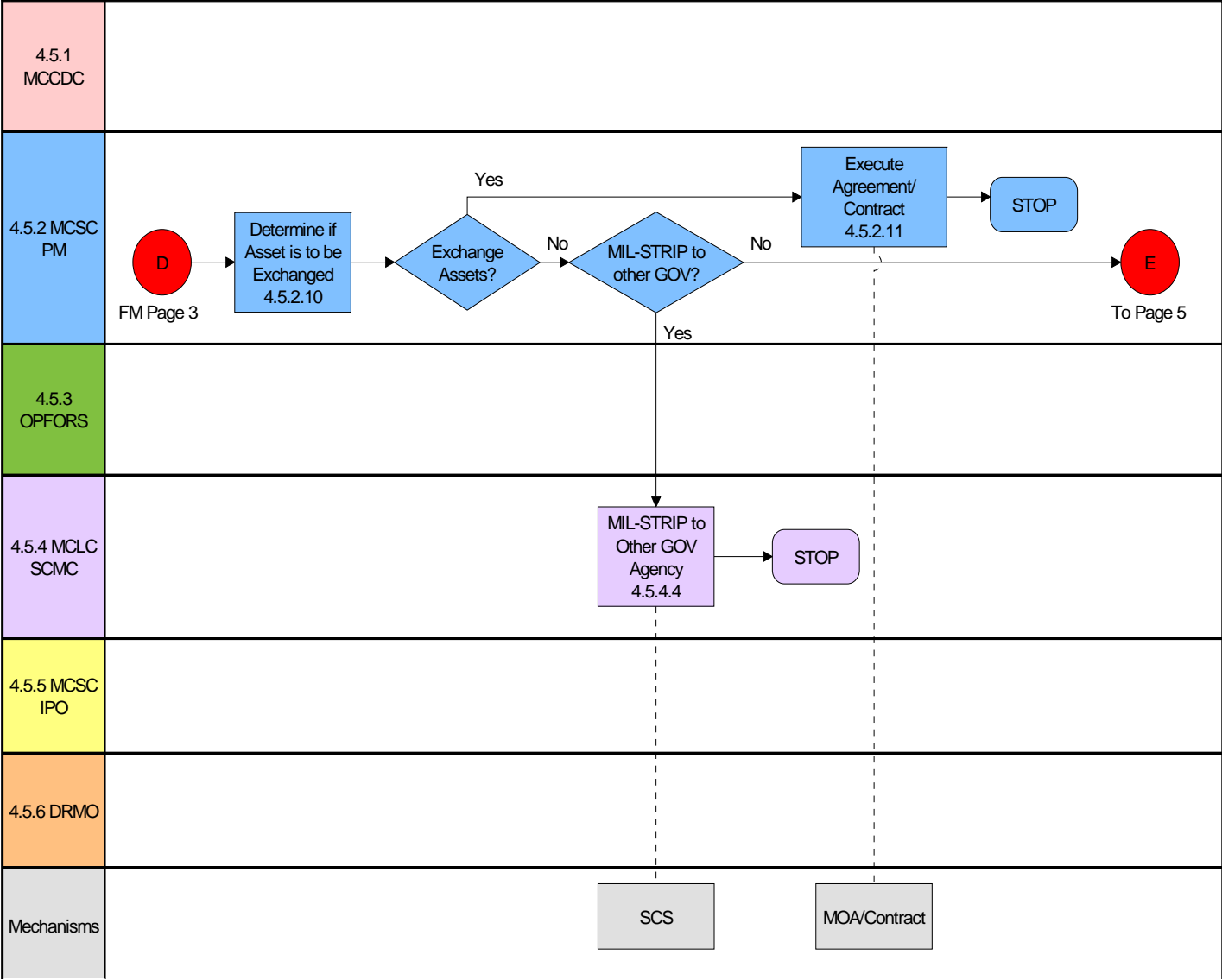
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